MEMORANDUM OF SETTLEMENT

BETWEEN

PUBLIC SERVICE ALLIANCE OF CANADA LOCAL 20221 ("UNION")

AND

VANCOUVER INTERNATIONAL AIRPORT AUTHORITY ("EMPLOYER")

The Union and the Employer agree to resolve all outstanding bargaining issues with respect to the renewal of the collective agreement (the "Collective Agreement"), the terms and conditions of which shall include the following:

The existing provisions of the current collective agreement, subject to the following amendments:

AS WELL AS ALL OTHER AGEREP UPON PROPOSALS.

1. DURATION

- Duration, 4 years
- January 1, 2013 December 31, 2016

2. WAGES

General increases:

Effective January 1, 2013: 2% Effective January 1, 2014: 2% Effective January 1, 2015: 2.25% Effective January 1, 2016: 2.25%

3. SIGNING BONUS & RETROACTIVITY

Retroactive pay, and a signing bonus of \$500, will be provided to employees who are on the active payroll as of the date of signing of this Collective Agreement. Retroactive pay will be calculated on straight time hours only effective January 1, 2013.

4. SHARED PERFORMANCE PLAN

- A "pilot" program for 2014 through 2016.
- Employees are eligible for a bonus of between \$500 and \$1,250 every year depending on the Authority's financial performance.
- For 2014, the target bonus of \$500 is guaranteed.

- The Shared Performance Plan is a simple plan that has one measure of success: an increase in the Authority's Net Operating Margin.
- If we achieve Target, each eligible employee will receive \$500; if we achieve Maximum each eligible employee will achieve \$1,250.
- The bonus will be paid for results between Target and Maximum and will be prorated between these two measures. For example, if we achieved midway between Target and Maximum, the bonus amount would be \$875.
- The Board of Directors will establish both the Target and the Maximum for each calendar year.
- The proposed plan details are attached to this memorandum.
- In the last 4 years, the Authority has met or exceeded Target.

Total Increase	11.16% ove		2.31/0	
Total	2.68%	2.67%	2.91%	2.90%
Average %				
\$500				
Signing Bonus of	0.68%			
Average %				
\$500				
at Target				
Performance Pay		Guaranteed		
Shared		0.67%	0.66%	0.65%
	2 70			
General Increase	2%	2%	2.25%	2.25%
	2013	2014	2015	2016

General Increases & Shared Performance Pay at Target

General Increases & Shared Performance Pay at Maximum

Total Increase	14.13% ove			
Total	2.68%	3.69%	3.90%	3.86%
Average %				
\$500				
Signing Bonus of	0.68%			
Average %				
Maximum \$1,250				
Performance Pay at				
Shared		1.69%	1.65%	1.61%
General Increase	2%	2%	2.25%	2.25%
	2013	2014	2015	2016

Unless otherwise indicated, these amendments shall become effective on the date of ratification of this agreement.

5. <u>RECOMMENDATION</u>

The parties agree to recommend this memorandum of settlement to its respective constituents.

DATED at Vancouver, British Columbia this 29th day of August, 2013

Vancouver International Airport

Public Service Alliance of Canada

per: per:

per

per: per: per:

per: _per: per:

Vancouver Airport Authority

Shared Performance Pay

The following Shared Performance Pay is a proposal from the Management Bargaining Team with the following specifics:

- Employees are eligible for a bonus of between \$500 and \$1,250 every year, depending on the Authority's financial performance
- The Plan is a "pilot" for the duration of the collective agreement only
- The Plan will begin in the 2014 calendar year
- The Plan will have new targets every calendar year
- The Plan will only provide an upside for employees employees may achieve a bonus based on the Authority achieving financial objectives
- This Plan shall not be included in, nor form part of, the Collective Agreement.

What is Shared Performance Pay?

Shared Performance Pay is an incentive plan which allows the Authority to share financial improvements with its employees.

What is the financial measure of the Shared Performance Pay?

The Shared Performance Pay is a simple plan that has one measure of success: an increase in the Authority's Net Operating Margin.

The objective of the Shared Performance Pay is to align employee effort to increase the Net Operating Margin. While each employee's contribution toward Net Operating Margin improvements may vary, the collective impact can be significant. By being cost conscious, efficient, and identifying revenue generating opportunities, all employees can contribute to and benefit from the Authority's financial performance.

What is Net Operating Margin?

Net Operating Margin is defined as revenue less operating costs.

Operating costs are what the Authority spends on Materials, Supplies, and Services (what we refer to as MSS) and on Salaries and Wages.

Revenue is the total revenue of the Authority excluding the revenue from the Airport Improvement Fee (and any operating costs associated with collecting it) and excluding any grants provided to the Authority.

How is the Net Operating Margin determined every year?

Starting in 2014, and in each subsequent calendar year of the Collective Agreement, the Authority will determine the Net Operating Margin based on the financial budget that is approved by the Board of Directors. The financial budget is aligned with the key business objectives for that year.

Who will set the Target and Maximum for Net Operating Margin?

The Board of Directors will establish both the Target and the Maximum for every calendar year. The Target will be based on the financial budget. That means if the Authority achieves budget for revenues and operating costs then the Target for Net Operating Margin will be achieved.

The Maximum will be a stretch target – something that is possible to achieve - but not without some creativity, teamwork and collaboration.

Has the Authority exceeded Target in the past?

Yes, in the last 4 years the Authority has exceeded target.

How stretch is Maximum?

Depending on the year, Maximum has been set at 8.5% higher than Target. That means increasing the Net Operating Margin by 8.5% more than budget – by increasing revenues or/and decreasing operating costs.

What is the maximum payout under the Plan?

There will be a maximum payment of \$1,250 for each calendar year.

What happens if we don't meet Target?

Then no bonus is achieved as the Authority did not meet budget.

How is the Shared Performance Pay calculated?

All eligible employees will receive a Shared Performance Pay bonus if the Target set for Net Operating Margin is met or exceeded. The Shared Performance Pay bonus increases as the results improve. If we achieve Target, each eligible employee will receive \$500; if we achieve Maximum each eligible employee will achieve \$1,250.

Results will be calculated based on achievement against the Net Operating Margin Target. The bonus will be paid for results falling between "Target" and "Maximum" and will be prorated between these two measures. For example, if we achieved midway between Target and Maximum, the bonus amount would be \$875.

As soon as the year end audited financial statements have been confirmed, the improvements for Net Operating Margin will be calculated to determine the bonus for each employee.

How will this be communicated?

Throughout the year you will receive information describing the Authority's performance on the Net Operating Margin. This information will be posted on the Intranet and will be presented to you at the All Employee Meetings.

How is Shared Performance Pay paid?

Shared Performance Pay does not impact your current salary or pension and benefit coverage. Shared Performance Pay provides lump sum cash bonuses, which are in addition to general increases and increment steps. *Each participant is paid the same dollar amount*.

The Shared Performance Pay bonus will be subject to income tax unless the bonus is directed into the Authority's Group RRSP. Employees may choose to direct the full amount of their bonus to the Authority's RRSP. This will allow employees to use "pre-tax dollars" to fund their RRSP programs up to allowable limits.

Who is eligible to participate in Shared Performance Pay?

The Shared Performance Pay applies to the following unionized employees:

- Full time permanent employees;
- Part time permanent employees will receive a prorated bonus based on their hours worked in the calendar year;
- Term employees with a term of 1 year or more in duration;
- New employees, provided they have worked at least 6 months in the calendar year and successfully completed their probationary period, will receive a prorated bonus based on the number of complete months they have worked in the year;
- "Inactive" employees on leaves of absence during part of the year (such as personal leave, maternity/parental leave, care and nurturing leave, education leave, compassionate care leave, and long term disability) provided they have worked at least 6 months in the calendar year, will receive a prorated bonus based on the number of complete months they have worked in the year. An employee is considered "active" while on short term sick leave or on apprenticeship leave.

Those employees not eligible to participate in the Shared Performance Pay include:

- Casual employees, temporary employees, and term employees of less than 1 year;
- Employees who have been actively at work for less than 6 months in the calendar year;
- Employees who depart from the Authority during the year, or who depart prior to the payment date of the Shared Performance Pay bonus payment.

Agreed Change March 12, 2013

3. Recognition

3.01

The Employer recognizes the Alliance as the exclusive bargaining agent for all employees of the Employer described in the certificate issued by the Canadian Industrial Relations Board dated <u>(insert most recent date)</u>, unless subsequently altered.

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4. Employer Representatives

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4.02

A representative shall obtain the permission of the immediate <u>Manager</u>, or designate, before leaving the work area to investigate employee complaints of an urgent nature, to meet with local management for the purpose of dealing with grievances and to attend meetings called by management. Such permission shall not be unreasonably withheld. Where practicable, the representative shall report back to the <u>Manager</u>, or designate, before resuming normal duties. Immediately upon entering a department, the representative shall advise the department <u>Manager</u>, or designate, that the purpose of the visit is union business. No more than one (1) representative at any one time shall investigate any single incident.

12. Other Leave With or Without Pay

12.01 Bereavement Leave With Pay

(b) When a member of the employee's immediate family dies, an employee shall be entitled to a bereavement period of five (5) consecutive calendar days inclusive of the day of the funeral. During such period the employee shall be paid for those days which are not regularly scheduled days of rest for the employee. The employee may, at the discretion <u>of the V.P. Human Resources</u>, be granted up to three (3) days travel leave with pay to attend the funeral where distances so warrant.

(c) An employee is entitled to one (1) day's bereavement leave in the event of the death of his or her son-in-law, daughter-in-law, brother-in-law, sister-in-law, step brother, step sister, or the death of a person for whom the employee has power of attorney. The employee may, at the discretion <u>of the V.P. Human Resources</u>, be granted up to three (3) days leave of pay.

33. Vacation Leave

33.04 Vacation Entitlement

Provided that an employee has completed six (6) months of continuous service, the employee may be granted vacation leave in advance of the credits earned during such vacation year, and will be advanced credits equivalent to the anticipated credits for each subsequent vacation year. At the discretion of the V.P. Human Resources, an employee may be granted vacation leave credits prior to completion of six (6) months of continuous service. If, at the end of a vacation year, an employee's entitlement to vacation leave with pay includes a fractional entitlement of less or more than one-half (1/2) shift, the entitlement shall be increased to the nearest half (1/2) shift.

Which Date:

For the Employer:

For the Union:

Agreed Change

March 13, 2013

Letter of Understanding - Trades Shift Scheduling

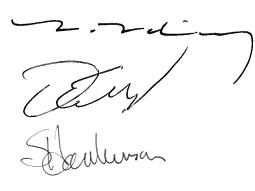
Management shall consult with the Trades Committee on the annual shift schedule.

The Local Union President or their designate, who is a tradesperson, shall be invited to participate on the Trades Committee.

Within three (3) months of ratification of <u>the</u> Collective Agreement <u>commencing on</u> <u>January 1, 2013</u>, the Trades Committee shall develop Terms of Reference to be approved by the Director Maintenance <u>Planning</u>.

March 13, 2013 Date:

For the Employer:



For the Union:

March 14, 2013

After reviewing the language proposals from the Union and Management negotiating teams, the following is a package offer from the Management team. It is our intention to reach agreement on this package in its entirety. As part of the negotiating process, the Management negotiating team will consider counter proposals from the Union on this package so that both parties achieve their objectives.

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12. Other Leave With or Without Pay

12.10 Leave With Pay for Family-Related Responsibilities

NEW (d)

An employee shall identify, on Employer timesheets, the family member and the circumstances of the leave requested under (a) and (b) above.

12.16 Personal Leave

NEW

Occasionally, employees request leave without pay for reasons that are not covered under the leave provisions in the Collective Agreement.

Under these circumstances, the Vice President of Human Resources has the right to authorize or not authorize the leave request; this matter will not be grievable. However, if there are any concerns expressed, then the matter will be discussed with the Local Union President.

If approved, the employee must exhaust their accumulated banked overtime (compensatory and lieu leave) and unused vacation time before commencing the leave without pay. Such leave will not exceed one year duration, inclusive of banked overtime and unused vacation.

Time spent on the leave without pay will not be counted for pay increment, severance, or vacation service. Nor will vacation leave be accrued during the time spent on leave without pay. During the leave without pay, the employee shall pay both the employee and employer share of all pension, benefit, and insurance plan premiums.

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26. Employee Status

26.03 Term Employees

Term employees are employees hired for a fixed period of six (6) months or longer for the purpose of (i) short term assignments, (ii) non-recurring work, or (iii) special projects. The need for such employees is not expected to extend beyond the end of the project or assignment and such employees will be advised, in writing, of their termination date when hired. If term employment of any employee extends beyond three (3) consecutive years the individual will be granted non-probationary indeterminate employment status. Any time spent as a casual part-time employee will reset the three (3) year time period calculation referred to above. Term employees are covered by all provisions of this collective agreement, except the severance pay provisions.

27. Hours of Work

27.11 Compressed Hours of Work ni. Maratan ng sata panasan

NEW

(b) (v) The Employer shall consult with the Local Union President prior to implementing a compressed schedule.

14 2013 Date:

For the Employer:

For the Union:

April 24, 2013 Agreed Change

11. Designated Paid Holidays

11.01

Subject to clause 11.02, the following days shall be designated paid holidays for employees.

- (a) New Year's Day,
- (b) B.C. Family Day,
- (c) Good Friday,
- (d) Easter Monday,
- (e) Victoria Day,
- (f) Canada Day,
- (g) B.C. Day,
- (h) Labour Day,
- (i) Thanksgiving Day,
- (j) Remembrance Day,
- (k) Christmas Day,
- (I) Boxing Day,

One additional day when proclaimed by an Act of Parliament as a national holiday (unless the national holiday is for the same or substantially similar purpose or celebration as a provincial holiday already mentioned above, in which case the provincial holiday shall be replaced by the national holiday).

33. Vacation Leave

In discussions, the parties agreed to continue to communicate to employees through an annual joint email regarding vacation leave scheduling.

38. Joint Consultation

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During discussions, the parties agreed to resume joint Union consultation meetings.

41. Position Classification

41.04

NEW

In the event that the Employer denies an employee request for a classification review, the Local Union President may request a consultation with the VP Human Resources, or designate, to discuss the matter. The Local Union President shall provide the rationale including the substantial and material change in duties that might warrant a classification review. The VP Human Resources, or designate, will provide a response within a reasonable period of time. The outcome of this consultation shall not be grievable.

"Appendix B" Clothing Policy

3. Safety Footwear

The Authority shall provide employees who are required to wear safety footwear (Airfield Operations Specialists, <u>Airfield Operations & Emergency Response</u> <u>Specialists</u>, Skilled Trades, Signmakers) with suitable safety footwear every two (2) years, or earlier if replacement is needed due to damage. All footwear will comply with <u>CSA</u> standards.

The Authority shall also provide Terminal Duty Officers and Airside Safety Officers with a <u>safety</u> shoe allowance every two (2) years, <u>or earlier if replacement is needed due to</u> <u>damage</u>. All footwear will comply with CSA standards.

Letters of Understanding (LOU)

Snow Removal Augmentation

The parties have agreed to provide opportunities to the maintenance employees to participate in the Snow Removal Augmentation program as outlined in the Collective Agreement, Article 42.

In addition to Article 42, the parties have agreed to the following:

1. <u>Once an employee is accepted into the program and provided training by the Employer, the employee will not be able to withdraw from the program for the current season.</u>

- 2. <u>Overtime for snow events will be deemed mandatory for employees in the snow</u> <u>augmentation program. The Employer may utilize the standby provisions of the</u> <u>Collective Agreement.</u>
- 3. <u>This Letter of Understanding will expire on (insert expiry date of Collective Agreement).</u>
- 4. <u>Overtime, if banked by the employee, will not be prorated.</u> As such, an employee may bank 17.25 hours if working an 11.5 hour shift at time and one-half, and may bank 23 hours if working an 11.5 hour shift at double time.
- 5. Overtime paid out, even if previously banked, will be as per Article 42.
- 6. <u>This agreement is contingent on the complement of fifteen employees remaining</u> in the program for the current season, unless the parties agree otherwise.

Letter of Understanding – Airfield and Emergency Services (AES) Backfill Supervisors

The Employer agrees to the following changes to the letter:

- To change the title of "Backfill Supervisors" to "Alternate Supervisors"
- To change the language in #1 to read: The Pilot Program will expire on (insert expiry date of new Collective Agreement).

Date:

For the Employer:

For the Unid

Agreed Change August 29, 2013 7 7:30 pm

12. Other Leave With or Without Pay

12.10

For the purpose of this clause, immediate family is defined as Father, Mother (or alternatively Stepfather, Stepmother, or Foster Parent), Brother, Sister, Spouse (including common-law spouse resident with the employee), child (including child of common-law spouse), stepchild, foster child or ward of the employee, grandchild, grandparent, father-in-law, mother-in-law, fiancée and relative permanently residing in the employee's household or with whom the employee permanently resides and for anyone who the employee has power of attorney.

18. Pay Administration

18.11

(a) When an employee is required by the Employer to substantially perform the duties of a position in a higher rated salary band in an acting capacity and performs those duties for at least one (1) full shift, the employee shall be paid acting pay in accordance with clause 18.03. An employee acting in a higher rated position shall continue to be entitled to his or her pay increment for the lower rated position based on the employee's increment date in the lower rated position. When an employee receives an increment in the lower rated position his or her acting rate of pay will be adjusted accordingly.

(b) When an employee, classified as an Airfield Operations Specialist (AOS) trained as an Airfield Operations Emergency Response Specialist (AOERS) backfill, is required by the Employer to respond to a critical incident and perform duties drawing on his or her qualifications under the Canadian Aviation Regulations (CAR 323), the employee shall be paid acting pay for the full shift in accordance with clause 18,Q3.

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26. Employee Status

26.02 (b) Casual Part-time Employees

A casual part-time employee is an employee who:

- (i) may be utilized on an "on-call basis" <u>or may be scheduled to work</u> without having normal hours of work or days of rest scheduled; and,
- (ii) will not work in excess of seven hundred and eighty (780) hours in a calendar year, <u>excluding hours worked for Snow and Ice Control (SNIC)</u>. However, if by September 1st in any year a casual part time employee is approaching seven hundred and eighty hours, the Employer may request from the Local Union an extension of hours for that year. Such extension shall not be unreasonably withheld; and,
- (viii) is entitled to a salary adjustment of 6% of base pay in lieu of any benefits once he or she has exceeded working 500 hours in each calendar year for the first two (2) years of casual part-time status only. For the third and consecutive years of casual part-time status, the salary adjustment will apply to all hours worked; and,
- (x) has the right to decline on-call work <u>except during SNIC;</u> and,
- (xi) <u>does not have the right to decline any scheduled work;</u>
- (xii) will be deemed to be laid-off without severance pay when he or she has not worked for a period of <u>ten (10)</u> consecutive months.

34. INSURANCE PLANS

34.01

The Employer will pay the premium cost specified below to provide the following insurance benefits:

(b) Extended Health: 100% of the premium of an extended health plan providing vision care to a maximum of <u>\$350</u> per person every twenty-four (24) months, and supplementary medical benefits.

Drug Card (language to be included in the benefits plan)

The Employer will provide bargaining unit employees, and eligible family members, with a Drug Card in conjunction with a Drug Substitution Limit, effective the date of signing, or when the cards are available. Employees pay the total amount for prescriptions under the current process and then claim reimbursement through the benefits carrier, Sun Life. The Drug Card allows for prescription drug claims to be processed at the time of purchase, without paying up front for eligible expenses.

Drug Substitution Limit

Charges in excess of the lowest priced equivalent drug are not covered unless the doctor specifies in writing that no substitution for the prescribed drug may be made.

40. Apprenticeship

40.01

An employee selected to participate in an apprenticeship program who is already employed by the Authority shall not have his/her pay reduced while in the program. The employee shall receive the greater of his/her current rate of pay or the appropriate equivalent percentage of the journeyperson's rate of pay as established by the <u>parties in a Memorandum of Agreement dated August 16, 2011</u>. The Employer will supplement any training allowance or <u>Employment Insurance</u> benefit to 95% of the apprentice's base salary and will ensure no loss of benefits (including health and pension) while attending school.

40.04 Dual Ticketing

The dual ticket rate of pay shall be provided to employees who in addition to their current position have obtained a second ticket in the following area:

- <u>Tradespeople with an existing Millwright ticket can obtain a second ticket as an Electrician</u>
- <u>Tradespeople with an existing Plumber ticket can obtain a second ticket as either</u> <u>a Millwright or an Electrician</u>
- <u>Tradespeople with an existing Heavy Duty Mechanic ticket can obtain a second</u> <u>ticket as an Electrician</u>

An employee shall be entitled to the dual ticket rate of pay for a ticket in addition to the ones identified above provided the Employer deems it of value to the organization.

The dual ticket program does not apply to single ticket electricians.

To be eligible for the dual ticketing program, an employee must be permanent full-time and have successfully completed their probationary period.

Employees hired or promoted to the position of tradesperson after August 31, 2013 shall be entitled to the dual ticketing rate of pay once he or she begins the schooling portion of their second ticket. Employees receiving the dual ticketing rate effective August 31, 2013, can continue to pursue the chosen second ticket as previously determined and will maintain the rate prior to completing their second ticket. If the employee does not make an earnest effort to obtain the second ticket including any prerequisites, or is incapable of completing the second ticket, the employee will be removed from the dual ticketing program and will not be eligible for re-entry into the program for three (3) years, unless the Employer agrees otherwise.

The Employer shall determine the queue for entry into the apprenticeship schooling. The VP Engineering will consult with the Local Union President on an annual basis regarding the queue and the rationale for the upcoming selection of employees to attend school. This consultation will include a review of the status of each employee in the program along with any prerequisite training that may be suggested for employees to improve successful completion of the program. In the event that the Union President raises concerns regarding the selection process, he or she may request a consultation with the VP Human Resources, or designate, to discuss the matter. The VP Human Resources, or designate, shall investigate any concerns and respond within a reasonable period of time. The outcome of this consultation and investigation shall not be grievable.

40.05 Grandfather Provision (to be deleted from the Collective Agreement) Notwithstanding the above (Paragraph 40.04), the Employer, at its discretion, may grant the dual ticket rate of pay to employees, employed as of July 1, 1997, who are within five (5) years of retirement (age 60) and have requested a second apprenticeship. The Employer shall exercise its discretion in a reasonable manner.

RE: Airfield and Emergency Services (AES) <u>Alternate Supervisors</u> August 29, 2013

The purpose of this agreement is to outline the details of a pilot program that will provide recognition and a monetary premium for fully trained Airfield and Emergency Services (AES) Backfill Supervisors.

The Employer and the Union have agreed to the following:

- 1. The Pilot Program will expire on (expire of the Collective Agreement).
- 2. Up to four (4) <u>Alternate</u> Supervisors will be identified through an 'Expression of Interest', provided they have previously attended a Command and Control training program.
- 3. Selection will include both an interview and a test the interview and test questions will evaluate both technical suitability as well as leadership capabilities.
- 4. The <u>Manager Airfield and Emergency Services</u> will determine when the <u>Alternate</u> Supervisor is deemed qualified to act in the position, with input from the AES Supervisor assigned to the individual's training.
- 5. As outlined in the JIQ for ERS Supervisors, the Supervisors will provide the <u>Alternate</u> Supervisors with training and mentorship, without issue.
- Upon receiving AES <u>Alternate Supervisor</u> training and deemed qualified to act as an AES Supervisor, selected incumbents will be entitled to an annual premium of <u>\$2,250</u>, pro-rated and paid monthly in the amount of <u>\$187.50</u>. There will be no pyramiding of this premium.
- 7. When acting as an AES Supervisor, the AES <u>Alternate</u> Supervisor will not be entitled to acting pay.
- 8. The AES Trainer will also be trained as an AES Alternate Supervisor.
- 9. This agreement is made without prejudice or precedent to any other agreement between the Employer and the Union.

Letter of Understanding

RE: Work From Home Arrangements

August 29, 2013

During collective bargaining, the Union Bargaining Committee expressed interest in flexible work arrangements for day shift only employees.

The parties agree to form a Committee to discuss options for day shift employees having "work from home" arrangements. Within a month of ratification, a joint Union – Management Committee will be formed consisting of six (6) employees, three chosen by the Employer and three chosen by the Local Union.

The Committee shall also consider variable daily start and stop times.

The Employer will grant leave with pay to the employees appointed by the Local Union during their regular scheduled work hours for the purpose of attending Committee meetings.

The Committee will present their findings to the joint Union - Management Consultation Committee. The Local President and the VP Human Resources will provide approval of any recommendation. Any approved recommendations shall be piloted according to the terms of the recommendations within 60 days of ratification.

Date: August 29, 2013

For the Employer:

For the Union:

Not to form part of the Collective Agreement

RE: Contracting Out August 29, 2013

During collective bargaining, the parties discussed contracting out. At that time, the Employer assured the Union Bargaining Committee that they would continue the practice of discussing any contracting out of bargaining unit work with the Local Union President.